

A two weeks encampment is provided for students at Camp San Luis Obispo during the summer vacation. This was attended by approximately 700 cadets in 1948.

The Cadet Corps program is not to be confused with the R.O.T.C. program existing in the schools of Los Angeles, San Francisco, Oakland, San Diego, Sacramento, Alameda and Santa Barbara. The R.O.T.C. is supported by the Federal Government, with active duty army officers acting as instructors. The program is prescribed by the government, the officers assigned and relieved by the government, and only schools with 100 or more students in the program are eligible for R.O.T.C.

The Cadet Corps does not overlap the R.O.T.C. since the Cadet Corps is not permitted to operate in those cities in which R.O.T.C. units are located.

DEPARTMENT OF MOTOR VEHICLES

For Support of the Department of Motor Vehicles from the Motor Vehicle Fund

Item 188, pages 41 and 42 of the Budget Bill and page 515 of the Budget. The amount requested is \$8,202,638 from the Motor Vehicle Fund for support of the Department of Motor Vehicles. This is an increase of \$594,364 or 7.8 percent over the amount of \$7,608,274 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages-----	\$375,512	516
Operating expenses -----	66,313	516
Equipment -----	—60,585	---
Subtotal -----	\$381,240	
Less: Amount payable from Motor Vehicle License Fee Fund -----	—155,983	516
Net total -----	\$225,257	
Budgeted increase for new or expanded service:		
Salaries and wages-----	\$254,128	523
Operating expenses (estimated)-----	87,475	523
Equipment -----	27,504	524
Total -----	\$369,107	

Recommendation

Amount budgeted -----	\$8,202,638
Legislative Auditor's recommendations-----	\$7,266,848
Reduction -----	\$935,790

Analysis

The following schedules and explanations are details of items we have recommended be not approved :

SCHEDULE I

Budgeted Increase Based on Work Load, Price Increase, or Salary Adjustment at Existing Level of Service		
<i>Positions recommended to be eliminated from Budget</i>		<i>Amount</i>
Administration :		
1 Administrative assistant, grade 2 -----		\$4,512
1 Intermediate typist-clerk -----		2,160
Accounting Division :		
Financial responsibility unit :		
1 Junior typist-clerk -----		1,920
Personnel Bureau :		
1 Junior personnel technician -----		3,060
2 Intermediate clerks -----		4,320
Division of Registration :		
1 Senior clerk -----		2,520
1 Intermediate typist-clerk -----		2,160
1 Intermediate clerk -----		2,160
8 Intermediate stenographer-clerks -----		16,320
Total -----		\$39,132

SCHEDULE II

Budgeted Increase to Provide New or Expanded Service		
	<i>Amount</i>	<i>Budget page</i>
Administration :		
1 Division chief -----	\$6,672	-----
4 Branch office manager, grade 1 -----	15,600	-----
1 Senior stenographer-clerk -----	2,640	-----
1 Intermediate typist-clerk -----	2,160	-----
16 Motor vehicle representatives -----	51,456	-----
2 Senior information clerks -----	5,040	-----
5 Intermediate information clerks -----	10,800	-----
0.5 Janitor-janitress -----	1,260	-----
0.5 Janitor-janitress -----	1,260	-----
1 Women's rest room attendant -----	2,040	-----
Branch office manager, grade 2 (reclassification of one branch office manager, grade 1) -----	240	-----
Field registration :		
1 Assistant field supervisor -----	\$3,540	523
1 Senior cashier-clerk -----	2,640	-----
1 Senior stenographer-clerk -----	2,640	-----
5 Assistant cashier-clerks -----	10,800	-----
4 Senior clerks -----	10,080	-----
6 Intermediate clerks -----	12,960	-----
12 Intermediate typist-clerks -----	25,920	-----
3 Teletypewriter operators -----	7,200	-----
Registration representatives (reclassification of 53 intermediate clerks) -----	6,996	-----
Field drivers' licensing :		
13 Drivers' license examiners -----	39,784	523
11 Intermediate typist-clerks -----	23,760	-----
1 Junior typist-clerks -----	1,920	-----
Subtotal -----	\$247,408	
Operating expenses (estimated) -----	12,675	523-524
Equipment -----	12,376	524

Division of Administration :			
Operating expenses :		<i>Amount</i>	<i>Budget page</i>
Training school -----		70,000	518
Division of Drivers' License :			
<i>Compilation of monthly suspension and revocation report:</i>			
Salaries and wages -----	\$6,000	-----	521
Operating expenses -----	4,800	-----	522
Equipment			
Multilith machine -----	2,000	-----	-----
Transfer fixtures, trays, panels, etc.	13,128	25,928	522

Net total -----		\$368,387	

Explanation of Schedule I

The administrative assistant position is requested for the purpose of having an employee to assist the director by relieving him of administrative detail, to assist him in interpreting policies to the operating divisions, and to further strengthen the top management. *At present the director has a deputy director. We believe these functions should be a part of the deputy director's duties and that the addition of an administrative assistant is not justifiable on this basis.*

One intermediate typist-clerk has been requested to keep equipment records on cars. We recommend that these records be kept in the accounting division. Any information that the director desires could be furnished by that division.

One junior typist-clerk has been requested for the Financial Responsibility Unit of the Accounting Division. This request has been based on an increased work load due to increased deposits and withdrawals. Statistics indicate that deposits are likely to decline as more drivers obtain insurance. Therefore, we recommend disapproval of this position.

One junior personnel technician and two intermediate clerks are requested by the Personnel Bureau. *The request is based on the requested new positions causing an increase in work load. We have recommended disapproval of more than 100 new positions. Based on our recommended disapproval of these new positions, we disapprove the three new positions requested by the Personnel Bureau.*

The Division of Registration has requested one senior clerk, one intermediate typist-clerk, and one intermediate clerk for a proposed work progress and control unit. Also requested are eight intermediate stenographer-clerks based on increased work load estimates. We have recommended disapproval of these positions as an economy measure. *We assume that many manual functions that are occurring in the 1948-49 Fiscal Year due to conversion will be eliminated in the 1949-50 Fiscal Year. We suggest that the Division of Registration's staff review their operations and obtain these employees from within their own organization.*

Explanation of Schedule II

Included in these requested new positions are personnel to staff the following proposed new field offices at: Alameda, Compton, Porterville, Taft, Paso Robles, Watsonville, Needles, and Independence. Salaries and

wages for these new offices are estimated at \$91,656; operating expenses, \$12,675; and equipment, \$12,376. *The above new field offices, with the exception of Alameda and Compton, are being proposed on the basis that they are located in areas not now adequately served and are the source of many complaints.*

It appears to be a policy of the Department of Motor Vehicles to encourage over-the-counter transactions. *To carry out this policy requires decentralization which becomes costly due to more "high-range" supervisory personnel, and increased operating expenses—mainly rentals and the purchase of additional equipment.* If this policy of over-the-counter service is continued, there is the probability that it will be necessary to establish many additional field offices which will cause additional expense to the State. We suggest that a study be made by the Department of Finance, taking into consideration the cost of decentralization and over-the-counter transactions, as compared with the cost of a more centralized system in which transactions are accomplished by mail. Now that the public is becoming familiar with the potential registration forms, it is probable that fewer difficulties will be encountered as compared to past operations under the manual system.

Pending the study by the Department of Finance, we recommend that the amount of \$247,408 requested for salaries and wages for the requested new positions listed in Schedule II, and the amount of \$12,675 for operating expenses, and the amount of \$12,376 for equipment for these requested new positions not be approved.

The amount of \$70,000 is requested for a training school. This amount is to be used principally for expenses such as travel, hotel, etc., for employees called in from the field offices for training. *Our disapproval of this amount is based on the assumption that before employees are appointed they must have the experience and qualifications to meet the standards of civil service.* The partial nonproductive breaking-in period of employees entering service is a normal expense in all departments. Operational units should have manuals of instructions and written job duties explicit to the extent that only a brief explanation by a supervisor or fellow worker may be necessary for the new employee to perform the beginning functions of his position.

The amount of \$25,928 is requested for the compilation of a monthly report on suspensions and revocations of drivers' licenses. This report is to be used by the highway patrol and perhaps some police departments.

We have recommended disapproval of this amount as an economy measure and on the basis that the results to be obtained are doubtful. The benefits are dependent on the efforts and time of the patrolmen and policemen used in enforcement. A recent survey shows that such enforcement as respects revocation of drivers' licenses is purely incidental. More effective results will be secured by spending this money on enforcement rather than just another report. Due to their many duties of major importance, it is doubtful if much time could be spent on utilizing this report and carrying out the enforcement required.

DIVISION OF FINANCIAL RESPONSIBILITY

The total expenditure estimated for the Division of Financial Responsibility for the 1949-50 Fiscal Year is \$402,720. This is an increase of \$27,131 or 7.2 percent over the amount of \$375,589 estimated for the 1948-49 Fiscal Year. This increase is explained by the following:

Salary adjustments (increase)	\$14,614
Salary savings (decrease)	add 23,960
Operating expenses (increase)	6,830
Equipment (decrease)	—18,273
Total increase	\$27,131

The estimated total cost, including expenditures of other divisions, for the administration and enforcement of the Financial Responsibility Law is \$590,031 for the Fiscal Year 1949-50 is explained as follows:

Administration	
Financial Responsibility Division	\$402,720
Bureau of Accounting (Financial Responsibility Unit)	8,951
Division of Drivers' Licenses (Suspension and Revocations Unit, Mail and Files Unit, and Administration)	116,600
Subtotal	\$528,271
Enforcement	
Highway Patrol	
Service and attempted service of briefs	* 61,760
Total for Administration and Enforcement	\$590,031

* No separate cost has been kept by the Highway Patrol for this service. This estimate is based on the number of briefs forwarded to the Highway Patrol for the months of October, November, December, 1948, and 20 days of January, 1949. The estimated cost per brief for salaries and wages was \$4.39.

We wish to point out that the estimated cost of administration before any determination of necessity of enforcement is reached, is \$528,271 for the Fiscal Year 1949-50. The principal functions of administration are:

1. Receive accident reports and analyze information.
2. Verify insurance reported with insurance companies.
3. Evaluate reports not having insurance to determine amount of deposit.
4. Issue suspension notices to operators who do not comply with the law.

The above functions are in the majority the handling of paper, searching of files and correspondence.

The total number of accidents coming within the Financial Responsibility Law from July to December 20, 1948, was 114,642. The highest number occurring in any month was 26,047. The average per working day would be approximately 1,240 cases.

The number of actual suspensions in effect as of December 28, 1948, was only 9,673. The issuance of a suspension notice may not result in the violator not driving a motor vehicle. He may do so at his own risk only subject to fine if apprehended. The final act of suspension does not insure the payment of damages to the person or persons injured in the accident.

The estimated increase in public liability and property damage insurance since the Financial Responsibility Law went into effect which may be attributed to the Financial Responsibility Law is as follows:

	<i>Estimated increase of 1948 over 1947</i>
	<i>Premium dollars</i>
Public liability -----	\$6,368,483
Property damage -----	2,413,967

The estimated additional revenue to the State derived from premium tax on the above is \$206,387.

Taking into consideration the revenue in the amount of \$206,387 and the total cost of \$590,031 per fiscal year for the administration and attempted enforcement of the Financial Responsibility Law, *the net cost to the State is estimated at \$383,644 per fiscal year.*

Taking into consideration the aforementioned factors, it appears that *the Financial Responsibility Law as written does not provide sufficient protection for persons injured in motor vehicle accidents; its administration is costly to the State; and the results of attempted enforcement are doubtful.*

We recommend that a complete review of the operation of the Financial Responsibility Division and the Financial Responsibility Units of other divisions and departments be made by the Department of Finance. Subject to a change in the law which would provide for automatic enforcement, we recommend that the appropriations in the estimated amount of \$528,271 * be denied.

*Department of Motor Vehicles	
Financial Responsibility Division -----	\$402,720
Bureau of Accounting (Financial Responsibility Unit) -----	8,951
Division of Drivers' Licenses (Suspension and Revocations Unit, Mail and Files Unit, and Administration) -----	116,600
Subtotal, Department of Motor Vehicles -----	\$528,271
Department of California Highway Patrol	
Service and attempted service of briefs -----	61,760
Total -----	\$590,031

For Additional Support, Department of Motor Vehicles, Payable from the Motor Vehicle License Fee Fund

Item 189, page 42 of the Budget Bill and page 515 of the Budget. The amount requested is \$1,357,301 from the Vehicle License Fee Fund. This is a decrease of \$155,983 or 13 percent over the amount of \$1,201,318 estimated to be expended for the 1948-49 Fiscal Year.

All expenses for administration of the Motor Vehicle License Fee Act are paid from the Motor Vehicle Fund as part of the over-all departmental expenses of the Department of Motor Vehicles and then that fund is reimbursed from the Motor Vehicle License Fee Fund by appropriation in accordance with Section 11003 of the Revenue and Taxation Code.

Percentages of departmental expenditures chargeable to the collection of vehicle license fees have been determined by a study made by the Department of Motor Vehicles in collaboration with the Department of Finance.

We recommend approval of Item 189 in the amount of \$1,357,301 as requested.

For Purchase of 1951 Vehicle License Plates, Payable from the Motor Vehicle Fund

Item 190, page 42 of the Budget Bill and page 515 of the Budget. The amount requested is \$1,275,000 for the *purchase of license plates for the year 1951.*

This is an increase of \$758,000 over the amount of \$517,000 estimated to be expended for the purchase of a limited number of license plates and tabs for the Fiscal Year 1948-49. *The amount of \$517,000 covers expenditures for duplicate 1947 plates, new car registrations, license plates for nonresident cars, and 1949 tabs.* In addition to the \$1,275,000 for the purchase of new 1951 plates, there is an amount of \$399,500 under operating expenses for license plates and tabs, Division of Registration, page 520 of the Budget, estimated to be expended in the Fiscal Year 1949-50 for the purchase of duplicate 1947 license plates, license plates for nonresident cars, new registrations, and 1950 tabs.

Under the present policy of issuing new license plates every five years, and validating them in the intervening four years by symbols or devices, an expenditure of this nature will not occur again until the year 1955.

These license plates are being manufactured by Folsom Prison. Funds are being requested in the 1949-50 Budget to enable this institution to purchase materials and commence manufacturing to assure completion of these plates before the registration period in 1951.

We recommend approval of the amount of \$1,275,000 as requested.

For Payment of Deficiencies in Appropriations for the Department of Motor Vehicles from the Motor Vehicle Fund

Item 191 and page 42 of the Budget Bill. The amount requested is \$500,000 and is to be used to pay deficiencies in appropriations for the Department of Motor Vehicles that may occur in the 1949-50 Fiscal Year. This is in the nature of an emergency fund.

The present Budget for 1949-50 has been prepared taking into consideration all possible increased work loads and operations that are anticipated for the year 1949-50. We, too, have taken into consideration these factors and we believe that all of the needs of the Department of Motor Vehicles have been provided for quite amply. During the Fiscal Year 1947-48, and during the major portion of the present Fiscal Year of 1948-49, many obstacles were encountered. The Department of Motor Vehicles is to be commended for the manner in which they solved the problems encountered in the huge task of conversion from a manual method to a mechanized system. However, there appears to be some reluctance to depend entirely on the mechanized system without a counterpart of the old manual method. The mechanized system has been proven efficient and economical by other states—not with the volume and perhaps not with the same varied operations, but the basic principles have been proven sound. We feel that sufficient tests will have been given, by the Department of Motor Vehicles, at the end of the 1948-49 Fiscal Year to enable them to take stock of the operations that have proven adaptable, efficient and economical. At that time these operations should be completely mechanized and the manual counterparts eliminated.

We recommend reduction of Item 191 in the amount of \$250,000 to \$250,000.